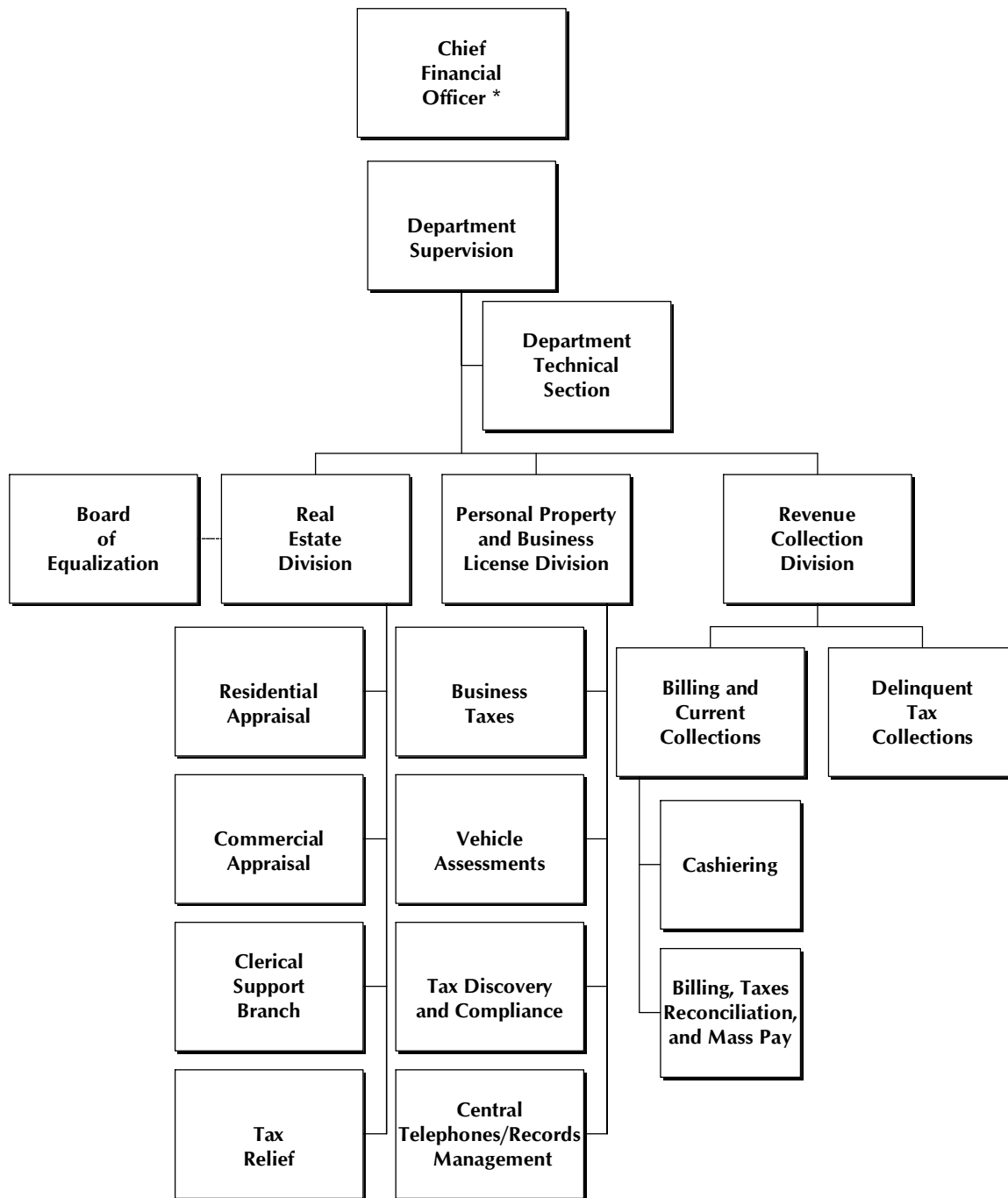


# Department of Tax Administration



\* The Chief Financial Officer has responsibility for strategic direction and oversight of this department; however, for budget purposes, that position and associated funding are reflected within the Department of Management and Budget.

# Department of Tax Administration

## Mission

To uniformly and efficiently assess and collect County revenue, provide high quality customer service and promote an empowered, well-informed community.

## Focus

The Department of Tax Administration (DTA) assesses and collects taxes fairly and in accordance with the relevant County and state codes. The Department is comprised of four main divisions: department supervision; real estate; personal property and business licenses and revenue collection.

The Supervision Division oversees all DTA operations and takes the lead in the Department's strategic planning and implementation process. As necessary, resources are reallocated across division boundaries to ensure that taxes are properly billed, collection rates remain strong and customer service remains responsive to taxpayers. Increased automation has been used where possible to address fewer staff and budgetary resources. Successful efforts include the automation of the TARGET hotline to report tax evaders in FY 2004. This program increased efficiency and responsiveness while accommodating a significant staff reduction. Beginning in FY 2004, the Advance Decal program streamlined the way vehicle decals were distributed. Under this program, vehicle decals were mailed with the owner's personal property tax bill provided the owner did not owe any delinquent taxes or have any outstanding parking tickets, rather than after the County received payment. Customer service was further improved via this program enhancement in FY 2005, as well as continuing to generate savings in terms of staff time and postage. In FY 2005 and FY 2006, the division will continue to focus on efforts to increase secure access to pertinent tax information. Such efforts will include public access to the Personal Property and Accounts Receivable databases on-line. These initiatives will better empower citizens to conduct business in a 24/7 environment and enable DTA to "do more with less."

### THINKING STRATEGICALLY

Strategic issues for the Department include:

- o Reliably forecast, assess and collect current and delinquent County revenue;
- o Maintain high quality customer service;
- o Maintain average assessment-to-sales ratio in the low 90's as of January 1 each year;
- o Increase availability and acceptance of ways to conduct business in a 24/7 environment; and
- o Maintain a highly skilled and knowledgeable workforce.

The Real Estate Division handles the assessment of all real estate taxes due to annual property value changes associated with appreciation/depreciation and value increases due to normal 'growth' or construction. Staff appraisers handle residential and commercial properties, which account for more than 50 percent of all General Fund revenue. Like the rest of Northern Virginia, Fairfax County has experienced strong market appreciation for residential properties over the past couple of years. Robust value increases, along with numerous property sales, translate into significant workload. Refinancing, remodeling and construction work also present a significant challenge to staff in that a visit to the property is often necessary to ensure accurate property descriptions and assessment. This division will complete a major computer replacement project in FY 2005, as staff works with a private vendor to replace the County's 1970's mainframe assessment system. Real estate payment information may be available on-line using the new system.


The Personal Property and Business License Division assesses all vehicle and business personal property taxes and administers the Business, Professional and Occupational License (BPOL) tax. Workload in this division is driven predominantly by continued population gains over the past decade and the condition of the automobile sales market. The transient nature of Northern Virginia also impacts workload as all vehicle changes (i.e., moves, sales, purchases) must be recorded to ensure an accurate vehicle tax file. Greater use of Department of Motor Vehicles (DMV) record matching provides some help in quality control over the vehicle tax file. Quality control efforts concerning the vehicle database will continue to be a high priority in FY 2006, along with quality control efforts required by state law under the Personal Property Tax Relief Act (PPTRA), commonly referred to as the state "Car Tax" legislation.

## Department of Tax Administration



While much of the valuation is automated, and records are matched to the Virginia DMV, this division still has an enormous volume of customer contacts. This division also staffs DTA's main telephone call center, which receives more than 540,000 phone calls a year. It should also be noted that calls coming into the call center cross-internal division boundaries. Overlap in customer service also extends to a certain amount of taxpayer correspondence, although DTA has been promoting an increasing shift to e-mail contact, which is handled more proportionately by each appropriate division. The volume of business tax workload remains constant, except that the complexity of tax administration has increased in the last few years due to various court cases, state tax department rulings and economic conditions.

The Revenue Collection Division is responsible for all billing, collection and account reconciliation activities. Staff is split between current year cashiering, deposit operations, and delinquent tax collection, and handles well over 1.5 million billing transactions per year. The workload in this division is also influenced significantly by population and economic conditions. Staff works to ensure current year collection rates are maintained as this provides necessary revenue and helps minimize the amount of unpaid receivables accumulated over time. Each year outstanding receivables are also collected as delinquent revenue. Collection work is a function of data accuracy (i.e., finding and contacting the property owner) and the economy. As the economy falters, collecting can become more difficult. For example, bankruptcies have increased significantly in the last few years particularly among public service companies in the telecommunication industry. This makes collection work harder and impacts the collection rates. Conversely, the strong real estate market combined with unusually low interest rates has stimulated a wave of refinancing, helping to boost real estate collections. Along with other collection tools, some delinquent accounts are outsourced to private collection agents. Assistance is also provided by the County Attorney's Office and the Office of the Sheriff. The Fairfax County Police Department also tows vehicles with outstanding parking tickets. Additionally, this division staffs the full service counters at the Government Center and forwards the relevant paperwork to the appropriate division for processing. When customer traffic at the Government Center is extremely heavy, employees are redeployed to front-line cashiering service irrespective of division in an effort to provide responsive customer service. Similar efforts are made to staff DTA telephones. Efforts to reduce walk in traffic include the promotion of on-line registration of new vehicles and the Advance Decal Program. This division has also enhanced customer service and increased cash accountability by the implementation a new cashiering system which will be fully integrated with the new real estate computer system in FY 2005. In FY 2005 the division will be developing an automated delinquent collection tracking system to be implemented in FY 2006. This new system will track delinquencies and allow timely follow-up, improving the collection rate.

### New Initiatives and Recent Accomplishments in Support of the Fairfax County Vision

 Connecting People and Places	Recent Success	FY 2006 Initiative	Cost Center
Continue to provide citizens convenient access to information by providing real estate sales data and assessment information on-line.	✓	✓	Real Estate
Provide the public access to the Personal Property and Accounts Receivable databases on-line via Govolution.	✓	✓	Department Supervision
Post real estate tax payment history on-line to empower the public with greater access to direct information.		✓	Real Estate/ Revenue Collection

## Department of Tax Administration

 <b>Connecting People and Places</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Utilize Department of Motor Vehicles (DMV) filing records in lieu of individual personal property form for initial vehicle filing. DTA would accept DMV filings as the taxpayer's filings rather than using this information to create a shell record and subsequent letter requiring the taxpayer to file additional paperwork within 60 days. This will be more convenient for taxpayers and will help expedite the decal process. This will also reduce the number of phone calls, e-mails and waiver requests for late filings received by staff.		✓	Personal Property
Increase taxpayer knowledge of the Tax Relief program through increased outreach efforts to the senior population. Conduct an informational survey which may enhance marketing efforts.		✓	Real Estate
 <b>Exercising Corporate Stewardship</b>	<b>Recent Success</b>	<b>FY 2006 Initiative</b>	<b>Cost Center</b>
Continue to enhance the streamlining of the Target program to allow on-line reporting of potential tax evaders. The resulting database is matched to the Department of Motor Vehicles' records, thereby eliminating the manual research previously conducted by staff.	✓	✓	Personal Property
Continue the enhancement of the secure and confidential access to vehicle records on-line. This permits vehicle owners to adjust their accounts such as change in address or vehicle ownership on-line, thereby saving staff time and increasing the accuracy of the information in the vehicle tax file.	✓	✓	Personal Property
Continue the Advance Decal Sales Program, which eliminated a second mailing to vehicle owners, thereby saving staff time and postage costs.	✓	✓	Personal Property/ Revenue Collection
Continue outsourcing most parking ticket collection operations to private agents.	✓	✓	Revenue Collection
Implement automated delinquent collection tracking system to track real estate delinquencies and support timely follow-up.		✓	Revenue Collection

# Department of Tax Administration

## Budget and Staff Resources

Agency Summary				
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	310/ 310	310/ 310	311/ 311	311/ 311
Expenditures:				
Personnel Services	\$14,867,966	\$16,011,082	\$16,073,793	\$16,552,001
Operating Expenses	4,379,202	5,232,714	5,880,097	5,724,126
Capital Equipment	15,196	0	0	0
<b>Total Expenditures</b>	<b>\$19,262,364</b>	<b>\$21,243,796</b>	<b>\$21,953,890</b>	<b>\$22,276,127</b>
Income:				
Land Use Assessment Application Fees	\$100	\$600	\$600	\$600
Administrative Collection Fees for Delinquent Taxes	193,964	250,000	309,884	309,884
State Shared DTA Expenses	1,920,855	1,905,890	1,973,126	2,012,589
State Shared Retirement - DTA	59,458	58,953	61,036	62,257
<b>Total Income</b>	<b>\$2,174,377</b>	<b>\$2,215,443</b>	<b>\$2,344,646</b>	<b>\$2,385,330</b>
<b>Net Cost to the County</b>	<b>\$17,087,987</b>	<b>\$19,028,353</b>	<b>\$19,609,244</b>	<b>\$19,890,797</b>

## FY 2006 Funding Adjustments

The following funding adjustments from the FY 2005 Revised Budget Plan are necessary to support the FY 2006 program:

- ◆ **Employee Compensation** **\$478,208**  
 An increase of \$478,208 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ **Operating Expense Adjustments** **\$491,412**  
 An increase of \$491,412 in Operating Expenses includes an increase of \$432,750 for information technology-related changes based on the agency's historic usage; an increase of \$48,700 for PC replacement charges due to an increase in the annual contribution for PC replacement by \$100, from \$400 to \$500 as well as an increased number of PCs in the replacement program; a net increase of \$2,982 in costs associated with the Department of Vehicle Services' costs; and an increase of \$7,000 due to raising the automobile mileage reimbursement rate to \$0.405 per mile.
- ◆ **Carryover Adjustments** **(\$647,383)**  
 A decrease of \$647,383 in Operating Expenses is due to the carryover of one-time expenses as part of the FY 2004 Carryover Review.

# Department of Tax Administration

## Changes to FY 2005 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2005 Revised Budget Plan since passage of the FY 2005 Adopted Budget Plan. Included are all adjustments made as part of the FY 2004 Carryover Review and all other approved changes through December 31, 2004:*

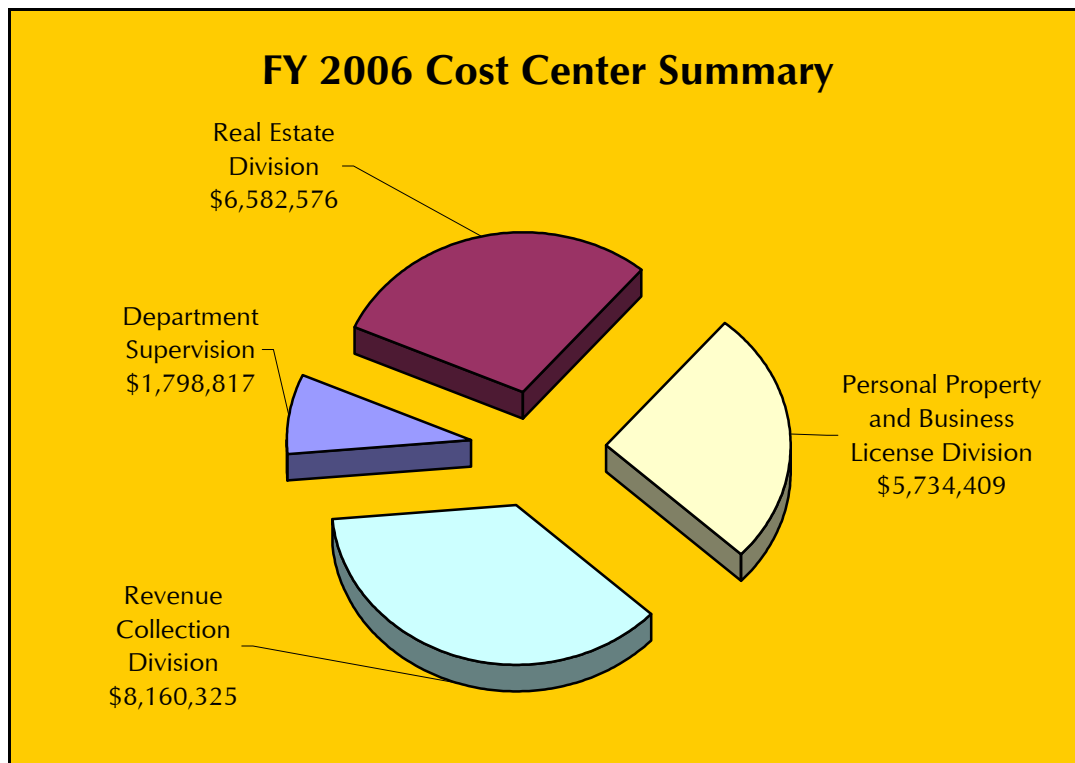
### ◆ Carryover Adjustments

**\$710,094**

As part of the FY 2004 Carryover Review, the Board of Supervisors approved the transfer of 1/1.0 SYE position and \$62,711 in Personnel Services from the Department of Cable Communications and Consumer Protection, and encumbered funding of \$647,383 in Operating Expenses.

## Cost Centers

The Department of Tax Administration is comprised of four cost centers: Department Supervision, Real Estate, Personal Property and Business License, and Revenue Collection. These four cost centers work together to fulfill the mission of the Department and carry out the key initiatives for the fiscal year. The Personal Property Division includes the Department's main call center that provides customer service support across divisional boundaries.



# Department of Tax Administration

## Department Supervision

Funding Summary				
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	11/ 11	11/ 11	11/ 11	11/ 11
<b>Total Expenditures</b>	<b>\$1,330,936</b>	<b>\$1,487,104</b>	<b>\$1,911,486</b>	<b>\$1,798,817</b>

Position Summary				
1 Director of Tax Administration	<u>Department Technical Section</u>		2 IT Technicians II	
1 Administrative Assistant IV	2 Management Analysts IV		1 Administrative Assistant IV	
	3 Programmer Analysts III		1 Administrative Assistant III	
<b>TOTAL POSITIONS</b>				
11 Positions / 11.0 Staff Years				

## Key Performance Measures

### Goal

To administer, supervise, and adjudicate the assessment, levy, and collection of all taxes that are charged to citizens and businesses of Fairfax County in order to ensure full compliance with the Virginia Constitution, State and County codes and to provide for the funding of the public need as established through the annual budget process.

### Objectives

- ◆ To enhance taxpayer convenience by supporting an increase of at least 10 percent per year in 24X7 e-commerce transactions.
- ◆ To accurately forecast current real estate, personal property, and Business, Professional and Occupational License taxes to achieve a variance of 2.0 percent or less between estimated and actual revenues.
- ◆ To provide high quality customer service as measured by an average maximum wait time of 3.5 minutes or less on the phone and at least a 3.5 point satisfaction rating (on a 4-point scale) by DTA customers.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Output:</b>					
24X7 e-commerce transactions	82,623	164,760	318,149 / 255,533	362,000	398,200
Real Estate, Personal Property, and BPOL Tax Revenues (in billions)	\$1.775	\$1.938	\$2.045 / \$2.053	\$2.177	\$2.364
Phone calls received	536,958	575,007	613,978 / 548,015	580,000	580,000
<b>Efficiency:</b>					
Cost per \$1,000 collected	\$12.58	\$10.28	\$10.15 / \$9.70	\$9.76	\$9.76
Cost per phone call	\$2.20	\$2.11	\$2.09 / \$2.27	\$2.20	\$2.20
<b>Service Quality:</b>					
Average maximum wait time on phone in minutes: seconds	1.00	1.29	4.45 / 3.21	3.50	3.50
Average rating of DTA services by customers	NA	NA	3.8 / 3.5	3.5	3.5

## Department of Tax Administration

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Outcome:</b>					
Percent change in 24X7 e-commerce transactions	NA	99.0%	10.0% / 55.1%	41.7%	10.0%
Percent variance between estimated and actual revenues	0.4%	0.1%	2.0% / 0.4%	2.0%	2.0%
Percentage of phone calls answered	94.3%	91.0%	80.0% / 83.0%	85.0%	85.0%

### Performance Measurement Results

In accordance with DTA's strategic plan to promote taxpayer empowerment and more convenient access to information, new performance measures have been developed to assess e-commerce efforts. While these data have been tracked internally for several years, the tremendous growth in the use of technology has resulted in a very uneven pattern. It is anticipated, however, that this should normalize. As a result, a goal of 10 percent growth in 24/7 e-commerce transactions was set as an overall objective for DTA in FY 2004. Actual growth in FY 2004 far exceeded this estimate, reaching approximately 55 percent. Another significant increase of 41.7 percent is projected for FY 2005 and an additional 10.5 percent growth in FY 2006. The new 24/7 E-commerce transactions include emails to DTA; on-line vehicle registrations; automated tax evader tips; e-check payments; and, on-line credit card payments.

In FY 2004, DTA continued to provide Senior County management with timely and sound data with which to forecast county revenues. As a result, the variance between estimated and actual revenues for Real Estate, Personal Property and Business, Professional and Occupational License Taxes was only 0.4 percent, much lower than the target ceiling of 2.0 percent. Staff will continue to monitor these revenue categories closely and provide accurate estimates.

To better assess customer service, new data on phone calls have been added to DTA's performance measures. Phone calls have been increasing with the population and with the rise in real estate assessments. Also, phone calls increased significantly due to a change in process in which vehicle decals were mailed to taxpayers with their bill. While similar increases in the number of phone calls are not anticipated in the near term, a significant rise in the wait time is due to budget and staff reductions in other sections of the Department that customarily provided supplemental phone support. However, although the Department estimated FY 2004 average maximum wait time to be 4.45 minutes, the actual average maximum wait time was 3.21 minutes. The anticipated wait time for FY 2005 is approximately 3.50 minutes. The objective for FY 2005 and FY 2006 is to answer the phones in as timely a manner as possible, with an average maximum wait time of 3.50 minutes. This benchmark time of 3.40 minutes was adjusted upward from 2.0 minutes following the reduction in personnel which significantly reduced staff's ability to quickly address all calls within a maximum average two minutes.

The Department's current customer service survey tool will be redesigned in FY 2005 to more accurately assess customer service. Based on the current survey instrument to date, citizens routinely rate DTA very high in customer service (greater than 3.5 on a scale of 4.0).



# Department of Tax Administration

## Real Estate Division



Funding Summary				
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	98/ 98	98/ 98	98/ 98	98/ 98
<b>Total Expenditures</b>	<b>\$5,976,097</b>	<b>\$6,394,524</b>	<b>\$6,403,212</b>	<b>\$6,582,576</b>

Position Summary				
1 Director of Real Estate		<u>Residential Appraisal</u>		<u>Clerical Support Branch</u>
2 Assistant Directors	7	Supervising Appraisers	1	Real Estate Records Mgr.
1 Administrative Assistant III	13	Senior Appraisers	2	Administrative Assistants V
1 Administrative Assistant II	23	Appraisers	3	Administrative Assistants IV
1 Management Analyst III			16	Administrative Assistants III
			3	Administrative Assistants II
		<u>Commercial Appraisal</u>		
	4	Supervising Appraisers		
	17	Senior Appraisers		
				<u>Tax Relief</u>
			1	Management Analyst II
			1	Business Tax Specialist II
<b>TOTAL POSITIONS</b>				
<b>98 Positions / 98.0 Staff Years</b>				

## Key Performance Measures

### Goal

To assess and update all real property in the County in a fair and equitable manner to ensure that each taxpayer bears his or her fair share of the real property tax burden.

### Objectives

- ◆ To assess property at fair market value as measured by an average assessment-to-sales ratio in the low 90 percent range.
- ◆ To equitably assess properties by maintaining a minimum coefficient of dispersion of 6.0.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Output:</b>					
Parcels assessed	333,209	337,350	341,500 / 341,651	345,500	350,000
<b>Efficiency:</b>					
Cost per parcel assessed	\$19.87	\$20.95	\$21.85 / \$21.16	\$22.38	\$22.73
Parcels per appraiser	6,207	6,747	6,830 / 6,446	6,509	6,604
<b>Service Quality:</b>					
Assessment/Sales ratio	89.9%	91.2%	91.5% / 92.0%	91.2%	92.0%
<b>Outcome:</b>					
Coefficient of Dispersion	6.2	6.1	6.0 / 5.9	6.0	6.0

# Department of Tax Administration

## Performance Measurement Results

FY 2004 data indicate an assessment-to-sales ratio of 92.0 percent. This is well within the target of the low 90 percent range and reflects the Department's assessment of real estate at fair market value. Further evidence of DTA's fair and equitable assessment practices is found in the low coefficient of dispersion of 5.9 in FY 2004. A low coefficient indicates that similar properties are assessed similarly and, hence, equitably. A coefficient of 15 is considered good, while a value in the 5 to 14 range indicates excellent uniformity.

## Personal Property and Business License Division

Funding Summary				
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	113/ 113	113/ 113	116/ 116	116/ 116
<b>Total Expenditures</b>	<b>\$5,101,663</b>	<b>\$5,575,667</b>	<b>\$5,575,667</b>	<b>\$5,734,409</b>

Position Summary			
1 Director	<u><b>Tax Discovery and Compliance</b></u>	<u><b>Central Telephones and Records Management</b></u>	
1 Assistant Director	2 Management Analysts II	1 Management Analyst II	
1 Management Analyst III	5 Auditors III	4 Administrative Assistants IV	
1 Administrative Assistant III	2 Auditors II	33 Administrative Assistants III	
1 Administrative Assistant II	11 Business Tax Specialists II	6 Administrative Assistants I	
	1 Administrative Assistant IV		
<u><b>Vehicle Assessments</b></u>	8 Administrative Assistants III		
1 Management Analyst II	1 Administrative Assistant I	<u><b>Business Taxes</b></u>	
2 Administrative Assistants III		1 Accountant II	
16 Administrative Assistants II		15 Administrative Assistants III	
		2 Administrative Assistants V	
<b>TOTAL POSITIONS</b>			
<b>116 Positions / 116.0 Staff Years</b>			

## Key Performance Measures

### Goal

To establish and maintain an equitable and uniform basis for assessing County ad valorem taxes on personal property; and to administer County licenses, State Income Tax, and all other state and County programs assigned to the Division in accordance with mandated statutes.

### Objectives

- ◆ To maintain the cost per Personal Property and BPOL dollar levied at or below \$0.01 with no degradation in accuracy as measured by exonerated assessments as a percent of total assessments.
- ◆ To achieve the highest degree of accuracy in personal property and business license assessment such that exonerations do not exceed 5 percent of annual levy.

## Department of Tax Administration

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Output:</b>					
Total tax levy for Personal Property and BPOL	\$561,807,888	\$568,959,764	\$566,020,048 / \$577,728,485	\$573,556,738	\$592,774,928
Value of Personal Property and BPOL tax bills adjusted	\$22,310,357	\$30,883,749	\$23,585,013 / \$31,147,049	\$23,425,772	\$24,084,575
<b>Efficiency:</b>					
Cost per tax dollar levied	\$0.01	\$0.01	\$0.01 / \$0.01	\$0.01	\$0.01
<b>Service Quality:</b>					
Exonerations as a percent of total assessments	4.0%	5.4%	4.2% / 5.4%	5.0%	5.0%

### Performance Measurement Results

In FY 2004, the cost per dollar of personal property and BPOL levy was \$0.01 and consistent with the target. For the great majority of property, exonerations were kept at a level below 5 percent of the total tax levy. Exonerations occur after a record has been assessed and levied. Although some level of records will always change after-the-fact due to proration, the goal is to bill records correctly the first time and minimize subsequent adjustments. Unavoidably, exonerations are slightly over the 5 percent level in FY 2004 due to compliance with State PPTRA ("car tax") guidelines. Audits of taxpayers claiming incorrect PPTRA usage increased the number of exonerations. Exonerations for FY 2005 and FY 2006 are projected to be below the 5 percent benchmark.

### Revenue Collection Division

Funding Summary				
Category	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan
Authorized Positions/Staff Years				
Regular	88/ 88	88/ 88	86/ 86	86/ 86
<b>Total Expenditures</b>	<b>\$6,853,668</b>	<b>\$7,786,501</b>	<b>\$8,063,525</b>	<b>\$8,160,325</b>

Position Summary				
1 Director	29	Administrative Assistants III	<u><b>Billing, Taxes Reconciliation, and Mass Pay</b></u>	
1 Management Analyst IV	1	Administrative Assistant I		
1 Administrative Assistant III			1 Accountant II	
1 IT Technician II		<u><b>Cashiering</b></u>	1 Management Analyst III	
		1 Accountant III	2 Management Analysts II	
<u><b>Delinquent Tax Collections</b></u>		1 Accountant II	4 Administrative Assistants V	
1 Management Analyst III	1	Administrative Assistant V	9 Administrative Assistants III	
2 Management Analysts II	3	Administrative Assistants IV	2 Administrative Assistants II	
2 Administrative Assistants V	16	Administrative Assistants III		
6 Administrative Assistants IV				
<b>TOTAL POSITIONS</b>				
<b>86 Positions / 86.0 Staff Years</b>				

# Department of Tax Administration

## Key Performance Measures

### Goal

To bill and collect taxes while providing quality customer service, in order to maximize General Fund revenue with accountability and minimize the overall tax burden by maintaining low delinquency rates.

### Objectives

- ◆ To maintain a minimum collection rate of 99.61 percent with a target rate of 99.65 percent collection rate for current year real estate taxes; 97.00 percent for current year personal property taxes, and 98.00 percent for Business, Professional, and Occupational License (BPOL) taxes.
- ◆ To maintain at least 30 percent collection of accounts receivable (i.e., unpaid taxes from prior years), while maintaining a cost per delinquent dollar collected of no more than \$0.18.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate/Actual	FY 2005	FY 2006
<b>Output:</b>					
Current year taxes collected: Real Estate (in millions)	\$1,226.0	\$1,387.7	\$1,491.4 / \$1,493.0	\$1,618.8	\$1,821.0
Current year taxes collected: Personal Property (in millions)	\$457.9	\$457.2	\$461.3 / \$459.0	\$452.8	\$465.7
Current year taxes collected: BPOL (in millions)	\$91.3	\$93.4	\$95.8 / \$102.0	\$108.1	\$113.5
Delinquent taxes collected: Real Estate	\$7,223,765	\$8,863,905	\$7,449,597 / \$7,725,129	\$6,879,238	\$6,879,238
Delinquent taxes collected: Personal Property	\$13,519,292	\$9,307,036	\$10,291,872 / \$14,429,174	\$9,700,559	\$8,200,559
Delinquent taxes collected: BPOL	\$1,595,541	\$2,443,614	\$2,493,729 / \$2,774,462	\$1,000,000	\$1,000,000
<b>Efficiency:</b>					
Cost per current dollar collected	\$0.004	\$0.004	\$0.004 / \$0.003	\$0.004	\$0.004
Cost per delinquent dollar collected	\$0.11	\$0.11	\$0.15 / \$0.09	\$0.18	\$0.18
<b>Service Quality:</b>					
Percent of bills deliverable	99.4%	96.0%	97.0% / 96.4%	97.0%	97.0%
<b>Outcome:</b>					
Percent of current year taxes collected: Real Estate	99.65%	99.63%	99.65% / 99.61%	99.61%	99.61%
Percent of current year taxes collected: Personal Property	96.69%	96.73%	97.45% / 96.87%	97.00%	97.00%
Percent of current year taxes collected: BPOL	98.02%	98.49%	98.00% / 98.75%	98.00%	98.00%
Percent of accounts receivable collected	29%	26%	30% / 31%	30%	30%

## Department of Tax Administration

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### **Performance Measurement Results**

Collection rates remain especially strong in all tax categories and in the collection of unpaid parking tickets. The collection rate for real estate taxes was 99.61 percent in FY 2004, reflecting not only the work of this division but also the surge in property refinancing due to the continued low mortgage interest rates. The collection rate for personal property of 96.87 percent in FY 2004 was slightly less than the target of 97.45 percent. Personal Property Tax collections include taxes assessed locally by DTA and Public Service Corporation (PSC) taxes assessed by the state, but billed and collected by DTA. PSC companies normally pay 100 percent of the taxes due. However, increased PSC bankruptcies had a negative impact on FY 2004 collections. If the PSC delinquencies were excluded, the FY 2004 collection rate would have been 97.12 percent in FY 2004. No adjustments are recommended to the FY 2005 and FY 2006 personal property collection rate targets as bankruptcies are expected to normalize in concert with an improving economy. A collection rate of 98.75 percent was achieved for business, professional and occupational license taxes in FY 2004, exceeding the target of 98.00 percent. Strong collections are anticipated to continue in FY 2005 and FY 2006.

The cost per delinquent dollar collected was \$0.09 in FY 2004, six cents below the target. Increases are anticipated in FY 2005 and FY 2006 as the higher collection rates on current taxes typically means that the delinquent accounts that do exist are smaller in dollar value and typically more difficult to collect.